
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: Fiscal Officers and Council Board Members of Political Subdivisions

FROM: Brian E. Bailey, Commissioner *BEB*

RE: Application for Distribution of Public Safety Local Option Income Tax

DATE: May 23, 2011

Effective May 10, 2011, House Enrolled Act ("HEA") 1004-2011 amended IC 6-3.5-1.1-25 and IC 6-3.5-6-31 to allow certain entities to petition the county council for a distribution of the county's public safety local option income tax. This memorandum addresses these changes.

HEA 1004 amended IC 6-3.5-1.1-25 and IC 6-3.5-6-31 to permit a fire department, volunteer fire department, or emergency medical services provider providing fire protection or emergency medical services within a county to apply to the county council before July 1 of a year for a distribution of tax revenue from the public safety tax during the following calendar year. In order to receive the distribution, the provider must be operated by or serve a political subdivision not otherwise entitled to receive a distribution of tax revenue under IC 6-3.5-1.1-25 or IC 6-3.5-6-31.

The county council must review the application and may, before September 1 of a year, adopt a resolution requiring that one or more of the applicants receive a specified amount of the public safety tax revenue to be distributed during the following calendar year. An approved resolution providing for a distribution to one or more fire departments, volunteer fire departments, or emergency medical services providers applies only to distributions in the following calendar year. Any amount of public safety tax revenue distributed to a fire department, volunteer fire department, or emergency medical services provider must be distributed before the remainder of the public safety tax revenue is distributed to the county and municipalities in the county providing public safety services recognized by IC 6-3.5-1.1-25 and IC 6-3.5-6-31.

Except where otherwise provided by IC 6-3.5-1.1-25 or IC 6-3.5-6-31, county auditors must make distributions of the public safety tax to the county or municipalities only if they carry out or provide at least one of the public safety activities recognized by these statutes.

The public safety tax must not be considered when calculating:

- 1) the maximum income tax rate that may be imposed in a county under IC 6-3.5-1.1-2 or IC 6-3.5-6-8 or IC 6-3.5-6-9;
- 2) the maximum permissible property tax levy under IC 6-1.1-18.5-3; or
- 3) the credit under IC 6-1.1-20.6.

Please direct questions to Staff Attorney Mike Duffy at 317-233-9219 or mduffy@dlgf.in.gov.